



The Hilltop Institute

analysis to advance the health of vulnerable populations

Finance & Sustainability Advisory Committee Meeting 9/22/11

In attendance

Dushanka Kleiman (Co-chair): *University of Maryland School of Public Health*
Nathan Brown (Co-chair): *Community Advocate*
Ben Steffen (Board Liaison): *Executive Director of the Maryland Health Care Commission*
John O'Donnell: *Washington Area New Automobile Dealers Association*
Leni Preston: *Maryland Women's Coalition for Health Care Reform*
Michael McHale: *Hospice of the Chesapeake, Inc*
Ronald Wineholt: *Maryland Chamber of Commerce*
Jagdeep Singh: *Prince George's Hospital & Laurel Regional Hospital*
Miguel McInnis: *Mid-Atlantic Association of Community Health Centers*
Russ Causey: *CMD Outsourcing Solutions, Inc.*
Sheila Mackertich: *Baltimore Health Care Access*
Alvin Helfenbein: *Helfenbein Insurance Agency, Inc.*
Mike Robbins: *Maryland Hospital Association*
Julia Huggins: *CIGNA HealthCare*
Randolph Sergent: *CareFirst BlueCross BlueShield*
Tara Ryan: *Pharmaceutical Research and Manufacturers of America*

Review of Charge, Roles & Responsibilities

The Finance & Sustainability Advisory Committee is charged with vetting options for the Exchange pertaining to three subject areas:

- Budget: MD has received about \$35 million in federal funds to support Exchange activities. The Exchange must be self-sustaining prior to 2015.
- Appropriate fees and methodologies to ensure that the income of the Exchange comports with the expenditures of the Exchange. The Committee will review methods employed by existing Exchanges in Massachusetts and in Utah and vet financing options including: user-based financing, consumer fees, advertising, general revenue funds, and other revenue-generating funds.
- Preventing Waste, Fraud, & Abuse

Presentation of Work Plan

The vendor for this study is Wakely Consulting. The agenda included a presentation of the work plan, but since the contract was awarded just one day prior to the meeting, the vendor representative was unable to attend the meeting. Patrick Holland, the vendor representative, called in to give a brief overview of the work plan, but due to technical difficulties with the speakerphone system, no discussion of the work plan was possible.

Committee Discussion

Discussion focused mainly on the difficulty of considering or formulating a revenue-generating strategy in light of so many unknowns (for example: What is the projected budget of the Exchange? How many participants in the Exchange are anticipated? What will the federally mandated essential benefits package include?) Some preliminary estimates for enrollment, cost projections, and models are contained in the Wakely RFP, which should be available shortly. The Board liaison supplied some commentary to give a broad overview of the anticipated composition of the Exchange (estimated 180,000 subsidized individuals to participate in exchange. MD Health Care Commission estimates 400,000 small group participants in exchange. Census indicates about 730,000 (14%) Marylanders currently uninsured. Hilltop estimates that uninsured population will drop to about 7% by 2017.) Members requested that Executive Director, Becca Pearce, come to a subsequent meeting to share her vision for the target size/budget for the exchange.

In light of Federal funding ending 1/1/15, committee will consider sustainability heavily in budget discussions. All agreed that relying on general funds was not a feasible budgetary option.

Some technical questions arose related to the background presentation. In particular, the committee requested clarification of the following questions:

- Are brokers in the Utah plan charged a fee per broker or per enrollee?: Utah brokers are charged a registration fee per broker, but the Exchange has discretion to charge brokers based on enrollee.
- How do navigators differ from brokers?: Navigators could also be brokers, but navigators could be nonprofits, community groups, social workers, or other individuals/entities. Funding could be generated by licensing and charging fees to navigators. Unlike brokers, navigators may not be compensated by insurance carriers for enrolling members.
- How are participating providers defined and identified?: MHCC illustrates a model of user fee funded organizations. Fees could be broadened to apply to all providers or limited to providers who participate in the exchange. This is one of the issues for discussion by the advisory committee.

- What is the federal match rate (50/50)? Can we include a basic health plan (like SCHIP) to cover lowest income populations?: The Federal rules are vague; Committee is waiting for vendor report to see if this structure is permitted. Vendor will also supply information about which state agencies have already submitted budgets to DBM for FY 2013. IOM report on essential benefits expected in October, rules on which could be delayed to post-November elections.

Logistical questions were also discussed and resolved. All meeting minutes and presenter materials from this committee and the other Advisory Committees will be made available online and committee Staff will relay relevant developments in other committees to this committee. In advance of each meeting, members will email questions to Staff and she will compile and send the questions to everyone for review/consideration.

Public Discussion

No comments were made by the public.

Next Steps

For the meeting on 10/3, the vendor will have funding models and options for committee to discuss. The Executive Director of the Exchange will be invited to present her vision of the Exchange to the Committee.